

Financial Implications

Required Authority	R4 3000 000 (Excl VAT)	R3 800 000 (VAT)	R3 400 000.00 (Incl. VAT)
Financial Year	Year 1	Year 2	Year 3

ADOPTED

19. **IRREGULAR EXPENDITURE 2015/16 AND 2016/17 FINANCIAL YEARS (9/1/3)**

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The Democratic Alliance voted against the condonation of irregular expenditure on the basis that this was as a result of poor planning and therefore the unwarranted use of Regulation 36 to award certain tenders. Furthermore, that the report was silent on other Units which had been previously reported as part of the Internal Audit Report.

Confirmation was then given that the necessary processes have been followed in terms of conducting investigation and verification that value for money has been obtained prior to proposing the condonement in question. Further, that this was an annual process, therefore, future reports might include other Units and that further updates will be provided should there be any other issues emanating from the investigation associated with this condonement process.

With the majority ANC voting in support of the condonement on the basis that proper processes have been followed,

COMMITTEE RECOMMENDS:

- 19.1 That Council condones the irregular expenditure totaling R34 079 576.54 (Thirty Four Million and Seventy Nine Thousand Five Hundred and Seventy Six Rand Fifty Four Cents) for the 2015/16 financial year and R33 798 553.63 (Thirty Three Million Seven Hundred and Ninety Eight Thousand Five Hundred and Fifty Three Rand Sixty Three Cents) for the 2016/17 financial years, as reflected in Annexure A of the report by the City Manager dated 2017-06-22.
- 19.2 That it be noted that goods and services have been received and value for money has been certified by the respective Heads of Departments.
- 19.3 That it be noted that the regularization of expenditure referred to above relates only to the contravention of the Supply Chain Management Policy issues and that depending on the outcome of further investigations by the Speaker; City Manager; Ombuds Office; Line Departments; and the Municipal Public Accounts Committee, further action may arise, including disciplinary action, recovery of monies, and criminal charges being instituted where applicable.

ADOPTED